

November 16, 2007

Ms. Cathy Stephen, Superintendent
Randolph Eastern School Corporation #6835
907 North Plum Street
Union City, Indiana 47390-1097

Dear Ms. Stephen:

On October 12, the Indiana Department of Education's (IDOE) monitoring team commenced an on-site monitoring review of the Randolph Eastern School Corporation's administration of Title I, Part A of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the *No Child Left Behind Act* (NCLB). Enclosed is a report based upon this review.

Prior to, during, and following the onsite monitoring review, the IDOE team conducted a number of activities (described in the attached report) to verify compliance with 1) the programmatic requirements of Title I, Part A; and 2) the fiscal requirements that must be followed by recipients of Title I, Part A educational funds.

The enclosed report summarizes the results of our on-site monitoring review. **Within 30 business days of the date of this letter**, please submit a response, and where appropriate, further documentation. IDOE will review the documentation and determine if it is sufficient to remove or remedy identified compliance findings.

In all cases where there are findings of non-compliance, the **Randolph Eastern School Corporation is responsible for taking appropriate action to remedy compliance deficiencies**. In some instances this can occur immediately, while in others a longer term solution may be necessary. Where longer term measures are necessary, the Randolph Eastern School Corporation must submit a specific detailed action plan with timelines and benchmarks for corrective action. IDOE will be happy to provide technical assistance to the Randolph Eastern School Corporation where appropriate.

The IDOE team would like to thank you, Mark Winkle, and Brenda Peacock for your hard work and assistance provided prior to and during the review in gathering materials and providing access to information in a timely and organized fashion.

We look forward to continued cooperation in working with you and your staff members on any follow-up activities and in assisting the Randolph Eastern School Corporation to improve the delivery of Title I services.

Sincerely,

Lee Ann Kwiatkowski, Director
Division of Compensatory Education

cc: Mark Winkle, Title I Program Administrator
Randolph Eastern School Corporation #6835

Linda Miller, Assistant Superintendent of Community Relations
and Special Populations, IDOE

Enclosures

**Indiana Department of Education
Title I, Part A Monitoring**

District: Randolph Eastern School Corporation

Monitoring Date: October 12, 2007

Monitoring Team: Brenda Martz, Hazel Beasley, Laura Cope

Background Information

The Indiana Department of Education (IDOE) commenced on-site monitoring of the Randolph Eastern School Corporation on October 12, 2007. The purpose of this monitoring visit was to identify areas of strength, areas that need improvement, and areas of non-compliance with Title I, Part A and federal grants management (fiscal) requirements.

IDOE specifically monitored in the following areas:

Monitoring Topic	Statutory Citation
1) Compliance with professional qualification requirements for teachers and paraprofessionals	NCLB §1111(h)(6)(A) NCLB §1119(c)(1) NCLB §9101(23)
2) Compliance with parental involvement requirements	NCLB §1118(a)-(h) NCLB §1111(c)(14) NCLB §1111(d) NCLB §1116(a)(1)(D) NCLB §9101(32)
3) Compliance with professional development requirements	NCLB §1116(a)(1)(D) NCLB §9101(34)
4) Compliance with school Improvement requirements	NCLB §1116(b) NCLB §1116(c) NCLB §1116 (e)
5) Compliance with district improvement requirements	NCLB §1116 (c)
6) Compliance with schoolwide program requirements	NCLB §1114
7) Compliance with targeted assistance program requirements	NCLB §1115
8) Compliance with school ranking and serving requirements	NCLB §1113
9) Compliance with comparability requirement	NCLB §1120A
10) Compliance with maintenance of effort requirement	NCLB §1120A NCLB §9521

11) Compliance with equitable services to private school student requirements	NCLB §1120
12) Compliance with statutory set-aside requirements	NCLB §1113 NCLB §1116 NCLB §1118
13) Compliance with supplement, not supplant requirements	NCLB §1120A
14) Compliance with financial management systems/procurement requirements	EDGAR §80.20
15) Compliance with compensation for personnel services requirements	OMB Circular A-87, Attachment B, Section 8
16) Compliance with complaint requirements	EDGAR §80.36
17) Compliance with equipment requirements	EDGAR §80.32
18) Compliance with neglected institutions	NCLB §1401

During the on-site visit, IDOE spent time interviewing staff from Randolph Eastern School Corporation. IDOE visited North Side Elementary where interviews were conducted with the superintendent, principal, treasurer, and the Title I staff.

IDOE also reviewed Randolph Eastern School Corporation documents, including district policies and procedures, district notices to parents, district plans, school plans, personnel information, budget documents, contracts, and expenditure reports.

Based on the above information, our report follows.

Monitoring Topic 1: Compliance with NCLB professional qualification requirements for teachers and paraprofessionals

Background

IDOE interviewed the superintendent and the Title I Program Administrator/Principal regarding professional qualification requirements. In addition, the IDOE collected letters, notices, and other documents to be reviewed after the onsite.

Statutory Requirement: Professional qualifications requirements are contained in Sections 1111 and 1119 of Title I. In addition, “highly qualified” is defined in Section 9101(23) of the general provisions section of NCLB.

Areas of Compliance

Professional qualification requirements: Randolph Eastern School Corporation produced evidence demonstrating that teachers of core academic subject areas meet the highly qualified status required for compliance with NCLB regulations. HOUSSSE documentation, Praxis scores, and licensure were reviewed for compliance based on a random sampling of teachers at North Side Elementary. All documentation is kept in Randolph Eastern School Corporation’s central office.

Parents’ Right to Know: Teacher Qualification: Randolph Eastern School Corporation did ensure that all parents of students in Title I served schools received the Parents’ Right to Know notification explaining that they could request information on the qualifications of their children’s instructors. An appropriate letter and proof of mailing were provided. Letters were mailed directly from the central office.

Parents’ Right to Know: Non-Highly Qualified Teacher: Randolph Eastern School Corporation did not have any students taught by a teacher for four or more consecutive weeks who was not highly qualified.

Principal Attestation: Randolph Eastern School Corporation ensures that the principal of the school receiving Title I funds has attested annually, in writing, as to whether the school is in compliance with the professional qualification requirements of NCLB. As part of the annual Title I application review, grant approval is not given unless the principal has signed the grant attesting that their school is compliant with the professional qualification requirements of NCLB.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 1

None

Monitoring Topic 2: Compliance with parental involvement requirements

Background

IDOE interviewed the superintendent and the Title I Program Administrator/Principal regarding parent involvement requirements. In addition, the IDOE collected letters, notices, and other documents that were reviewed prior to and during the on-site.

Statutory Requirement: Parental involvement requirements are contained throughout Title I, specifically in Sections 1111, 1116, and 1118. In addition, parental involvement is defined in Section 9101(23) of the general provisions section of NCLB.

Strengths: Randolph Eastern School Corporation is to be commended for its efforts in building capacity for parental involvement. They have provided a parent resource center and a parent liaison that is part of the school leadership team. The parent liaison works with the staff to foster the participation of families. The “Parents as Teachers” instructor works with Headstart preschool families to teach strategies that foster early reading and writing at home through a program called “Beginning Brave Readers” and through technology, a “parent portal” is provided for parents to access a link connecting home and school on a daily basis.

Areas of Compliance

Annual Parent Meeting: Randolph Eastern School Corporation was able to provide evidence of the Annual Title I parent meeting has taken place at North Side Elementary School. A letter announcing the meeting and a participant sign-in sheet were provided as evidence.

Building Capacity for Parental Involvement: Randolph Eastern School Corporation was able to provide evidence showing compliance with all six statutory requirements for building capacity for parental involvement. Building capacity in the parental involvement policy matches the information stated in the application.

Parent Information Resource Centers (PIRC): Randolph Eastern School Corporation could provide evidence that parents have been notified of the existence of the Parent Resource Center (PIRC) in Indiana as required by Sec. 1118 (g). A copy of the newsletter and the contact information were provided.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 2

LEA Parental Involvement Policy: Randolph Eastern School Corporation showed evidence of a district parental involvement policy that included all statutory components; however, the policy was not developed or revised with parental input, as required in NCLB. (See Attachment Topic 2)

Required Action: Randolph Eastern School Corporation must ensure that it annually revises its Local Educational Agency (LEA) Parental Involvement Policy. Title I parents must be included in the development or revision of the policy. Documentation of such meetings must be kept.

In addition, Randolph Eastern School Corporation must submit to IDOE an LEA Parental Involvement Policy along with a list of staff and parents who participated in the revision of the policy. Evidence of revision to the policy must be provided to IDOE within 30 business days of the date of this letter.

School Parental Involvement Policy: Eastern Randolph School Corporation was able to show evidence that North Side Elementary School has a parent involvement policy; however, it does not meet the statutory requirements under Sec. 1118. Policies must be developed or revised with Title I parents. (See Attachment A)

Required Action: Randolph Eastern School Corporation must ensure that North Side Elementary School has a parent involvement policy which meets the statutory requirements under Sec. 1118. The policy must involve parents, in an organized, ongoing and timely way in the planning, review, and improvement of the parent involvement policy.

In addition, Randolph Eastern School Corporation must submit to the IDOE a School Parent Involvement Policy along with a list of staff and parents who participated in the revision of the policy. Evidence of revision to the policy must be provided to IDOE within 30 business days of the date of this letter.

School Parent Compact: Randolph Eastern School Corporation showed evidence that North Side Elementary School has a school/parent compact; however, it was not developed jointly with parents, nor was it specific to North Side Elementary. (See Attachment A)

Required Action: Randolph Eastern School Corporation must ensure North Side Elementary has a school/parent compact which meets the statutory requirements. This compact must be developed jointly with parents and contain all required components that are specific to this individual school.

In addition, a revised school/parent compact along with a list of staff and parents who participated in the revision of the compact for North Side Elementary must be submitted to IDOE within 30 business days of the date of this letter.

Reviews the Effectiveness of Parent Involvement Activities: Randolph Eastern School Corporation could not provide evidence that the LEA or school reviews the effectiveness of school parent involvement activities.

Required Action: Randolph Eastern School Corporation must ensure that parent involvement activities are reviewed for their effectiveness. Examples of effective ways to evaluate parent involvement activities could include teacher and parent

surveys that yield reliable feedback that will guide action, pre-post documentation of knowledge (K-W-L), and videotapes of parent activities with follow-up discussion and documentation of that discussion.

Recommendation: IDOE recommends that Randolph Eastern School Corporation keep written records of meetings that are held to discuss the effectiveness of parental involvement activities with agendas and sign-in sheets kept for documentation.

Monitoring Topic 3: Compliance with Professional Development Requirements

Background

IDOE interviewed the superintendent and the Title I Program Administrator/Principal regarding professional development requirements. In addition, the IDOE collected checklists, notices, and other documents to be reviewed after the on-site.

Statutory Requirement: Professional development requirements are contained throughout Title I, Part A. Professional development is defined in Section 9101(34) of the general provisions section of NCLB. Under Section §1116(a)(1)(D), school districts are responsible for reviewing the effectiveness of professional development activities carried out with Title I funds.

Strengths: IDOE would like to commend Randolph Eastern School Corporation on the high quality, sustained, and focused professional development implemented through a literacy coach, a “teachers teaching teachers” model, and weekly Tuesday morning literacy teams. Randolph Eastern School Corporation is to be commended for the regular evaluation of their professional development and its impact on improved student academic achievement and teacher effectiveness, with the findings of the evaluations used to improve the quality of the professional development.

Areas of Compliance:

Professional Development: Randolph Eastern School Corporation demonstrated that it meets the requirements for high quality professional development as described in Sec. 9101(34) of the general provisions of NCLB. Randolph Eastern School Corporation provides focused professional development on literacy and math. North Side Elementary School has a literacy coach that provides job embedded literacy coaching in classrooms. Professional development is provided through Tuesday morning literacy teams where the focus is on “Word Work” and reading comprehension strategies. Randolph Eastern School Corporation also has a system in place to regularly evaluate professional development for its impact on increased teacher effectiveness and improved student academic achievement through a self-evaluating checklist for teachers and through an administrator’s checklist for each area of professional development.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 3

None

Monitoring Topic 4: Compliance with school improvement, corrective action, restructuring, and alternative governance requirements; including proper implementation of public school choice and supplemental educational services.

Not Applicable

Monitoring Topic 5: Compliance with district improvement requirements

Not Applicable

Monitoring Topic 6: Compliance with schoolwide program requirements

Not Applicable

Monitoring Topic 7: Compliance with targeted assistance program requirements

Background

IDOE interviewed the superintendent and the Title I Program Administrator/Principal regarding targeted assistance school (TAS) program requirements. In addition, IDOE visited North Side Elementary School where the principal and Title I staff were interviewed and classroom observations were made.

Statutory Requirement: The targeted assistance program requirements are contained in Section 1115. In a targeted assistance school, a school must maintain a list of eligible children who receive Title I services. Eligible children are children identified by the school as failing, or most at risk of failing, to meet the State's challenging student academic achievement standards.

Strength: IDOE commends Randolph Eastern School Corporation on their "Parents as Teachers" program that involves "at risk" preschool students in early reading and writing skills.

Areas of Compliance:

Coordination with Regular Educational Program: Randolph Eastern School Corporation was able to provide evidence of a schedule of fixed daily responsibilities for

Title I teachers and participation lists of identified students served through Title I. Randolph Eastern School Corporation demonstrated that the Title I program coordinates with the regular education program.

Review of Student Progress: Randolph Eastern School Corporation was able to provide evidence that the progress of participating students is reviewed on an ongoing basis through Reading Recovery guidelines, quarterly assessments, and Rigby Benchmarks. When necessary, revisions are made to the TAS program.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 7

Student Eligibility and Selection: Randolph Eastern School Corporation was unable to show that the student selection process at North Side Elementary School is in compliance with statutory requirements. Students are not being selected in order of most in need. (See Attachment Topic 7)

Required Action: Randolph Eastern School Corporation must ensure that all students in each grade level served at North Side Elementary School are selected based on multiple, educationally related criteria. In addition, students must be ranked and served in order of “most in need,” including Special Education and English Language Learners (ELL) students; as long as Title I is supplemental.

Recommendation: IDOE recommends that Randolph Eastern School Corporation, including the principal and Title I staff, review the Student Selection PowerPoint at: http://www.doe.state.in.us/TitleI/docs/student_selection.ppt and use our sample selection sheets found at: http://www.doe.state.in.us/TitleI/docs/sample_student_selection.doc

Monitoring Topic 8: Compliance with school ranking and serving requirements

Background

IDOE interviewed the superintendent and the Title I Program Administrator/Principal regarding the Title I ranking and serving requirements. In addition, IDOE reviewed documentation related to this requirement.

Statutory Requirement: The ranking and serving requirements are contained in Section 1113.

Areas of Compliance

Ranking and Serving: Randolph Eastern School Corporation demonstrated compliance with the statutory requirements for ranking and serving.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 8

None

Monitoring Topic 9: Compliance with comparability requirement

Background

IDOE interviewed the superintendent and the Title I Program Administrator/Principal regarding the Title I comparability requirement. In addition, IDOE reviewed documentation related to this requirement.

Statutory Requirement: The comparability requirement is contained in Section 1120A.

Areas of Compliance

Randolph Eastern School Corporation is in compliance with comparability requirements.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 9

None

Monitoring Topic 10: Compliance with maintenance of effort requirement

Background

The Indiana Department of Education conducts yearly review of maintenance of effort for all Title I schools.

Statutory Requirement: The maintenance of effort requirements are contained in Section 1120A of Title I and Section 9521 of the general provisions section of NCLB.

Areas of Compliance

Randolph Eastern School Corporation is in compliance with the maintenance of effort requirement.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 10

None

Monitoring Topic 11: Compliance with equitable services to private school students requirements

Not Applicable

Monitoring Topic 12: Compliance with statutory set-aside requirements

Background

IDOE interviewed the superintendent and the Title I Program Administrator/Principal regarding the Title I statutory set-aside requirements. Randolph Eastern School Corporation did not set aside funds for homeless students in non-Title I schools because no students have been identified as homeless. The district social worker monitors the mobility of students and student addresses to determine need. Randolph Eastern School Corporation did not set aside funds for the 5 percent highly qualified, since all teachers are highly qualified.

Statutory Requirements: The statutory set-aside requirements are contained throughout Title I, including required reservations for neglected and delinquent children; homeless children, public school choice, supplemental educational services, school improvement, parental involvement and professional development (see Sections 1113, 1116, and 1118).

Areas of Compliance

Homeless Students: Randolph Eastern School Corporation did not set aside funds for homeless students in non-Title I schools because no students have been identified as homeless. The district social worker monitors the mobility of students and student addresses to determine need.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 12

None

Monitoring Topic 13: Compliance with supplement, not supplant requirements

Background

IDOE interviewed the superintendent, the Title I Program Administrator/Principal, and the corporation treasurer regarding the Title I supplement, not supplant requirements. Fiscal documents were reviewed during the onsite visit.

Statutory Requirement: Section 1120A requires Title I funds to supplement, not supplant non-Federal sources of funds.

Areas of Compliance

Targeted Assistance School (TAS) Program Expenditures: Randolph Eastern Community School Corporation showed evidence that in school year 2006-2007, Title I funds were used for expenditures related to the implementation of the Title I Program.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 13

None

Monitoring Topic 14: Compliance with financial management systems requirements/procurement requirements

Background

IDOE interviewed the superintendent, the Title I Program Administrator/Principal, and the corporation treasurer regarding their financial management system and procurement requirements.

Regulatory Requirement: Section 80.20 (b)-(i) of the Education Department General Administrative Regulations (EDGAR) details the threshold requirements financial management systems for non-State grantees (such as school districts).

Areas of Compliance

Financial Management System: Randolph Eastern School Corporation was able to provide evidence that its financial management system meets the requirements of Section 80.20 of EDGAR. There is a purchasing process in place and a tracking system for each item funded through Title I.

Salaries and Related Benefits: Randolph Eastern Community School Corporation demonstrated that personnel stated in the 2006-2007 application matched fiscal records for Title I expenditures.

Audit Findings: Randolph Eastern Community School Corporation did not have any audit findings from Indiana State Board of Accounts.

Reporting: Expenditure reports and quarterly reports have been filed on time and Title I expenditures are reasonable, allocable, and necessary.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 14

Contracted Services: Randolph Eastern School Corporation was unable to provide evidence that measures are in place to ensure that the consultant is working the amount of time for which she is paid. The consultant completes a time sheet that is kept by the district; however, the school does not keep a record of time that the consultant spends in the school.

Required Action: Randolph Eastern School Corporation must ensure that the consultant submits an invoice that bills the district for services rendered and corresponds with the documentation of time that is kept by the district.

Monitoring Topic 15: Compliance with compensation for personnel services requirements

Background

IDOE interviewed the superintendent, the Title I Program Administrator/Principal, and the corporation treasurer with regard to compensation for personnel services requirements.

Circular Requirement: OMB Circular A-87, Attachment B, Section 8 details the requirements for all compensation for personnel services supported with federal funds. This section includes the time distribution and semi-annual certification requirements.

Areas of Compliance

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 15

Semi-Annual Certification: Randolph Eastern School Corporation was unable to provide evidence to show that it is in compliance with Semi-Annual Certification requirements. (See Attachment Topic 15)

Required Action: Randolph Eastern School Corporation must ensure that semi-annual certification requirements are met. In addition, Randolph Eastern School Corporation must submit a completed Semi-Annual Certification from first semester (2007-2008) for single cost objective staff paid 100% from Title I by January 15, 2008.

Recommendation: IDOE recommends a review of the Semi-Annual Certification PowerPoint found on the IDOE website as a helpful tool.
<http://www.doe.state.in.us/TitleI/docs/timeandeffort-logs.ppt>

Time and Effort Logs: Randolph Eastern School Corporation provided evidence that the half time parent liaison maintains a Time and Effort log; however, not all requirements were completed. (See Attachment Topic 15)

Required Action: Randolph Eastern School Corporation must ensure that persons in a split-funded Title I position maintain an accurate Time and Effort log by including both funding sources and signatures from the Title I employee and principal.

In addition, Randolph Eastern School Corporation must submit completed Time and Effort logs for the split-funded parent liaison from August and September 2007 to IDOE within 30 days of this letter.

Recommendation: IDOE recommends a review of the Time and Effort PowerPoint found on the IDOE website as a helpful tool.

<http://www.doe.state.in.us/TitleI/docs/timeandeffort-logs.ppt>

Monitoring Topic 16: Compliance with complaint procedures

Background

IDOE interviewed the superintendent and the Title I Program Administrator/Principal about Randolph Eastern School Corporation's complaint procedures.

Areas of Compliance

Randolph Eastern School Corporation has a complaint procedure policy; no complaints have been filed regarding Title I. The policy is available online.

Recommendation: IDOE recommends including the complaint procedure in the school handbook or another source that would easily be available to all parents.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 16

None

Monitoring Topic 17: Compliance with equipment requirements

Background

IDOE interviewed the superintendent and the Title I Program Administrator/Principal regarding Randolph Eastern School Corporation's equipment acquired with Title I, Part A funds. No Title I funds have been budgeted for or expended on equipment or technology.

Regulatory Requirement: Section 80.32(b)-(h) of the Education Department General Administrative Regulations (EDGAR) details the threshold requirements for the use, management and disposition of equipment acquired with federal funds by non-State grantees (such as school districts).

Areas of Compliance

Disposition of Equipment: Randolph Eastern School Corporation provided evidence of a Disposition of Equipment policy.

Inventory List: Randolph Eastern School Corporation has not developed an inventory list since they have not purchased equipment or technology with Title I funds.

Findings of Non-Compliance, Required Actions, and Recommendations for Monitoring Topic 17

Labeling of Title I Materials: Randolph Eastern School Corporation was not able to show that all books that were purchased with Title I funds are properly stamped. (See Attachment Topic 17)

Required Action: Randolph Eastern School Corporation must ensure that all supplies purchased with Title I funds are properly labeled "Title I" and located in an area that is for use with Title I students.

Monitoring Topic 18: Neglected Institutions: Funded through Title I, Part A

Not Applicable

School Parent Involvement Policy Checklist

Requirements of School Parental Involvement Policy	YES/NO
1. Convened an annual meeting at a convenient time, to which all parents of participating children shall be invited and encouraged to attend, to inform parents of their school's participation in Title I, Part A, and to explain the requirement of such and the right of the parents to be involved	Yes
2. Offered a flexible number of meetings, such as meetings in the morning or evening, and may provide, with funds provided under this part, transportation, child care, or home visits, as such services relate to parental involvement	Yes
3. Involve parents, in an organized, ongoing, and timely way, in the planning, review, and improvement of programs under this part, including the planning, review, and improvement of the school parental involvement policy	Yes
4. Provide parents with: <input type="checkbox"/> Provide timely information about Title I programs <input type="checkbox"/> A description and explanation of the curriculum in use at the school, the forms of academic assessment used to measure student progress, and the proficiency levels students are expected to meet <input type="checkbox"/> If requested by parents, opportunities for regular meetings to formulate suggestions and to participate, as appropriate, in decisions relating to the education of their children, and respond to any such suggestions as soon as practicably possible	Yes
5. (SWP schools) If the schoolwide program plan under section 1114(b)(2) is not satisfactory to the parents of participating children, submit any parent comments on the plan when the school makes the plan available to the LEA.	N/A
6. Includes a School-Parent Compact (see checklist next page)	Yes
7. Build the schools' and parents' capacity for strong parental involvement by: <input type="checkbox"/> Providing assistance to parents of children served as appropriate, in understanding such topics as the State's academic content standards and student academic achievement standards, and how to monitor a child's progress and work with educators to improve the achievement of their children <input type="checkbox"/> Providing materials and training to help parents work with their children to improve their children's achievement, such as literacy training and using technology, to foster parental involvement <input type="checkbox"/> Coordinating and integrating parent involvement programs and activities with Head Start, Early Reading First, Even Start, the Home Instruction Programs for Preschool Youngsters, the Parents as Teachers Program, etc., d conduct other activities, such as parent resource centers, that encourage and support parents in more fully participating in the education of their children <input type="checkbox"/> Educate educators with the assistance of parents, in the value and utility of contributions of parents, and in how to reach out to, communicate with, and work with parents as equal partners, implement and coordinate parent programs, and build ties between parents and the school <input type="checkbox"/> Ensure that information related to school and parent programs, meetings, and other activities, such as parent resource centers, that encourage and support parents in more fully participating in the education of their children,.. <input type="checkbox"/> Other reasonable support for parental involvement activities as parents may request	Yes Yes Yes Yes Yes Yes Yes

School – Parent Compact On-Site Review

School-Parent Compact Checklist

School-Parent Compact shall include:	YES/NO
<p>1. Describe the school's responsibility to provide high quality curriculum and instruction in a supportive and effective learning environment that enables the children served under this part to meet the state's student academic achievement standards, and the ways in which each parent will be responsible for supporting their children's learning, such as monitoring attendance, homework completion, and television watching; volunteering in their child's classroom; and participating, as appropriate, in decisions relating to the education of their children and positive use of extracurricular time</p>	NO
<p>2. Address the importance of communication between teachers and parents on an ongoing basis through, at a minimum:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Parent-teacher conferences in elementary school, at least annually, during which the compact shall be discussed as the compact relates to the individual child's achievement Frequent reports to parents on their children's progress <input type="checkbox"/> Reasonable access to staff, opportunities to volunteer and participate in their child's class, and observation of classroom activities 	NO

Attachment Topic 2

SEC. 1118. PARENTAL INVOLVEMENT.

(a) LOCAL EDUCATIONAL AGENCY POLICY-

(1) IN GENERAL- A local educational agency may receive funds under this part only if such agency implements programs, activities, and procedures for the involvement of parents in programs assisted under this part consistent with this section. Such programs, activities, and procedures shall be planned and implemented with meaningful consultation with parents of participating children.

(2) WRITTEN POLICY- Each local educational agency that receives funds under this part shall develop jointly with, agree on with, and distribute to, parents of participating children a written parent involvement policy. The policy shall be incorporated into the local educational agency's plan developed under section 1112, establish the agency's expectations for parent involvement, and describe how the agency will —

(A) involve parents in the joint development of the plan under section 1112, and the process of school review and improvement under section 1116;

(B) provide the coordination, technical assistance, and other support necessary to assist participating schools in planning and implementing effective parent involvement activities to improve student academic achievement and school performance;

(C) build the schools' and parents' capacity for strong parental involvement as described in subsection (e);

(D) coordinate and integrate parental involvement strategies under this part with parental involvement strategies under other programs, such as the Head Start program, Reading First program, Early Reading First program, Even Start program, Parents as Teachers program, and Home Instruction Program for Preschool Youngsters, and State-run preschool programs;

(E) conduct, with the involvement of parents, an annual evaluation of the content and effectiveness of the parental involvement policy in improving the academic quality of the schools served under this part, including identifying barriers to greater participation by parents in activities authorized by this section (with particular attention to parents who are economically disadvantaged, are disabled, have limited English proficiency, have limited literacy, or are of any racial or ethnic minority background), and use the findings of such evaluation to design strategies for more effective parental involvement, and to revise, if necessary, the parental involvement policies described in this section; and

(F) involve parents in the activities of the schools served under this part.

(3) RESERVATION-

(A) IN GENERAL- Each local educational agency shall reserve not less than 1 percent of such agency's allocation under subpart 2 of this part to carry out this section, including promoting family literacy and parenting skills, except that this paragraph shall not apply if 1 percent of such agency's allocation under subpart 2 of this part for the fiscal year for which the determination is made is \$5,000 or less.

(B) PARENTAL INPUT- Parents of children receiving services under this part shall be involved in the decisions regarding how funds reserved under subparagraph (A) are allotted for parental involvement activities.

(C) DISTRIBUTION OF FUNDS- Not less than 95 percent of the funds reserved under subparagraph (A) shall be distributed to schools served under this part.

(b) SCHOOL PARENTAL INVOLVEMENT POLICY-

(1) IN GENERAL- Each school served under this part shall jointly develop with, and distribute to, parents of participating children a written parental involvement policy, agreed on by such parents, that shall describe the means for carrying out the

requirements of subsections (c) through (f). Parents shall be notified of the policy in an understandable and uniform format and, to the extent practicable, provided in a language the parents can understand. Such policy shall be made available to the local community and updated periodically to meet the changing needs of parents and the school.

(2) SPECIAL RULE- If the school has a parental involvement policy that applies to all parents, such school may amend that policy, if necessary, to meet the requirements of this subsection.

(3) AMENDMENT- If the local educational agency involved has a school district-level parental involvement policy that applies to all parents, such agency may amend that policy, if necessary, to meet the requirements of this subsection.

(4) PARENTAL COMMENTS- If the plan under section 1112 is not satisfactory to the parents of participating children, the local educational agency shall submit any parent comments with such plan when such local educational agency submits the plan to the State.

(c) POLICY INVOLVEMENT- Each school served under this part shall —

(1) convene an annual meeting, at a convenient time, to which all parents of participating children shall be invited and encouraged to attend, to inform parents of their school's participation under this part and to explain the requirements of this part, and the right of the parents to be involved;

(2) offer a flexible number of meetings, such as meetings in the morning or evening, and may provide, with funds provided under this part, transportation, child care, or home visits, as such services relate to parental involvement;

(3) involve parents, in an organized, ongoing, and timely way, in the planning, review, and improvement of programs under this part, including the planning, review, and improvement of the school parental involvement policy and the joint development of the schoolwide program plan under section 1114(b)(2), except that if a school has in place a process for involving parents in the joint planning and design of the school's programs, the school may use that process, if such process includes an adequate representation of parents of participating children;

(4) provide parents of participating children —

(A) timely information about programs under this part;

(B) a description and explanation of the curriculum in use at the school, the forms of academic assessment used to measure student progress, and the proficiency levels students are expected to meet; and

(C) if requested by parents, opportunities for regular meetings to formulate suggestions and to participate, as appropriate, in decisions relating to the education of their children, and respond to any such suggestions as soon as practicably possible; and

(5) if the schoolwide program plan under section 1114(b)(2) is not satisfactory to the parents of participating children, submit any parent comments on the plan when the school makes the plan available to the local educational agency.

(d) SHARED RESPONSIBILITIES FOR HIGH STUDENT ACADEMIC ACHIEVEMENT- As a component of the school-level parental involvement policy developed under subsection (b), each school served under this part shall jointly develop with parents for all children served under this part a school-parent compact that outlines how parents, the entire school staff, and students will share the responsibility for improved student academic achievement and the means by which the school and parents will build and develop a partnership to help children achieve the State's high standards. Such compact shall —

(1) describe the school's responsibility to provide high-quality curriculum and instruction in a supportive and effective learning environment that enables the children served under this part to meet the State's student academic achievement standards, and the ways in which each parent will be responsible for supporting their children's learning, such as monitoring attendance, homework completion, and television watching; volunteering in their child's classroom; and participating, as appropriate, in decisions relating to the education of their children and positive use of extracurricular time; and

(2) address the importance of communication between teachers and parents on an ongoing basis through, at a minimum —

(A) parent-teacher conferences in elementary schools, at least annually, during which the compact shall be discussed as the compact relates the individual child's achievement;

(B) frequent reports to parents on their children's progress; and

(C) reasonable access to staff, opportunities to volunteer and participate in their child's class, and observation of classroom activities.

(e) **BUILDING CAPACITY FOR INVOLVEMENT**- To ensure effective involvement of parents and to support a partnership among the school involved, parents, and the community to improve student academic achievement, each school and local educational agency assisted under this part —

(1) shall provide assistance to parents of children served by the school or local educational agency, as appropriate, in understanding such topics as the State's academic content standards and State student academic achievement standards, State and local academic assessments, the requirements of this part, and how to monitor a child's progress and work with educators to improve the achievement of their children;

(2) shall provide materials and training to help parents to work with their children to improve their children's achievement, such as literacy training and using technology, as appropriate, to foster parental involvement;

(3) shall educate teachers, pupil services personnel, principals, and other staff, with the assistance of parents, in the value and utility of contributions of parents, and in how to reach out to, communicate with, and work with parents as equal partners, implement and coordinate parent programs, and build ties between parents and the school;

(4) shall, to the extent feasible and appropriate, coordinate and integrate parent involvement programs and activities with Head Start, Reading First, Early Reading First, Even Start, the Home Instruction Programs for Preschool Youngsters, the Parents as Teachers Program, and public preschool and other programs, and conduct other activities, such as parent resource centers, that encourage and support parents in more fully participating in the education of their children;

(5) shall ensure that information related to school and parent programs, meetings, and other activities is sent to the parents of participating children in a format and, to the extent practicable, in a language the parents can understand;

(6) may involve parents in the development of training for teachers, principals, and other educators to improve the effectiveness of such training;

(7) may provide necessary literacy training from funds received under this part if the local educational agency has exhausted all other reasonably available sources of funding for such training;

(8) may pay reasonable and necessary expenses associated with local parental involvement activities, including transportation and child care costs, to enable parents to participate in school-related meetings and training sessions;

(9) may train parents to enhance the involvement of other parents;

(10) may arrange school meetings at a variety of times, or conduct in-home conferences between teachers or other educators, who work directly with participating children, with parents who are unable to attend such conferences at school, in order to maximize parental involvement and participation;

(11) may adopt and implement model approaches to improving parental involvement;

(12) may establish a districtwide parent advisory council to provide advice on all matters related to parental involvement in programs supported under this section;

(13) may develop appropriate roles for community-based organizations and businesses in parent involvement activities; and

(14) shall provide such other reasonable support for parental involvement activities under this section as parents may request.

(f) **ACCESSIBILITY**– In carrying out the parental involvement requirements of this part, local educational agencies and schools, to the extent practicable, shall provide full opportunities for the participation of parents with limited English proficiency, parents with disabilities, and parents of

migratory children, including providing information and school reports required under section 1111 in a format and, to the extent practicable, in a language such parents understand.

(g) INFORMATION FROM PARENTAL INFORMATION AND RESOURCE CENTERS- In a State where a parental information and resource center is established to provide training, information, and support to parents and individuals who work with local parents, local educational agencies, and schools receiving assistance under this part, each local educational agency or school that receives assistance under this part and is located in the State shall assist parents and parental organizations by informing such parents and organizations of the existence and purpose of such centers.

(h) REVIEW- The State educational agency shall review the local educational agency's parental involvement policies and practices to determine if the policies and practices meet the requirements of this section.

Attachment Topic 7

SEC. 1115. TARGETED ASSISTANCE SCHOOLS.

(a) IN GENERAL- In all schools selected to receive funds under section 1113(c) that are ineligible for a schoolwide program under section 1114, or that choose not to operate such a schoolwide program, a local educational agency serving such school may use funds received under this part only for programs that provide services to eligible children under subsection (b) identified as having the greatest need for special assistance.

(b) ELIGIBLE CHILDREN-

(1) ELIGIBLE POPULATION-

(A) IN GENERAL- The eligible population for services under this section is —

(i) children not older than age 21 who are entitled to a free public education through grade 12; and

(ii) children who are not yet at a grade level at which the local educational agency provides a free public education.

(B) ELIGIBLE CHILDREN FROM ELIGIBLE POPULATION- From the population described in subparagraph (A), eligible children are children identified by the school as failing, or most at risk of failing, to meet the State's challenging student academic achievement standards on the basis of multiple, educationally related, objective criteria established by the local educational agency and supplemented by the school, except that children from preschool through grade 2 shall be selected solely on the basis of such criteria as teacher judgment, interviews with parents, and developmentally appropriate measures.

(2) CHILDREN INCLUDED-

(A) IN GENERAL- Children who are economically disadvantaged, children with disabilities, migrant children or limited English proficient children, are eligible for services under this part on the same basis as other children selected to receive services under this part.

(B) HEAD START, EVEN START, OR EARLY READING FIRST CHILDREN- A child who, at any time in the 2 years preceding the year for which the determination is made, participated in a Head Start, Even Start, or Early Reading First program, or in preschool services under this title, is eligible for services under this part.

(C) PART C CHILDREN- A child who, at any time in the 2 years preceding the year for which the determination is made, received services under part C is eligible for services under this part.

(D) NEGLECTED OR DELINQUENT CHILDREN- A child in a local institution for neglected or delinquent children and youth or attending a community day program for such children is eligible for services under this part.

- (E) HOMELESS CHILDREN- A child who is homeless and attending any school served by the local educational agency is eligible for services under this part.
- (3) SPECIAL RULE- Funds received under this part may not be used to provide services that are otherwise required by law to be made available to children described in paragraph (2) but may be used to coordinate or supplement such services.
- (c) COMPONENTS OF A TARGETED ASSISTANCE SCHOOL PROGRAM-
- (1) IN GENERAL- To assist targeted assistance schools and local educational agencies to meet their responsibility to provide for all their students served under this part the opportunity to meet the State's challenging student academic achievement standards in subjects as determined by the State, each targeted assistance program under this section shall —
- (A) use such program's resources under this part to help participating children meet such State's challenging student academic achievement standards expected for all children;
 - (B) ensure that planning for students served under this part is incorporated into existing school planning;
 - (C) use effective methods and instructional strategies that are based on scientifically based research that strengthens the core academic program of the school and that —
 - (i) give primary consideration to providing extended learning time, such as an extended school year, before- and after-school, and summer programs and opportunities;
 - (ii) help provide an accelerated, high-quality curriculum, including applied learning; and
 - (iii) minimize removing children from the regular classroom during regular school hours for instruction provided under this part;
 - (D) coordinate with and support the regular education program, which may include services to assist preschool children in the transition from early childhood programs such as Head Start, Even Start, Early Reading First or State-run preschool programs to elementary school programs;
 - (E) provide instruction by highly qualified teachers;
 - (F) in accordance with subsection (e)(3) and section 1119, provide opportunities for professional development with resources provided under this part, and, to the extent practicable, from other sources, for teachers, principals, and paraprofessionals, including, if appropriate, pupil services personnel, parents, and other staff, who work with participating children in programs under this section or in the regular education program;
 - (G) provide strategies to increase parental involvement in accordance with section 1118, such as family literacy services; and
 - (H) coordinate and integrate Federal, State, and local services and programs, including programs supported under this Act, violence prevention programs, nutrition programs, housing programs, Head Start, adult education, vocational and technical education, and job training.
- (2) REQUIREMENTS- Each school conducting a program under this section shall assist participating children selected in accordance with subsection (b) to meet the State's proficient and advanced levels of achievement by--
- (A) the coordinating of resources provided under this part with other resources; and
 - (B) reviewing, on an ongoing basis, the progress of participating children and revising the targeted assistance program, if necessary, to provide additional assistance to enable such children to meet the State's challenging student academic achievement standards, such as an extended school year, before- and after-school, and summer programs and opportunities, training for teachers regarding how to identify students who need additional assistance, and training for teachers regarding how to implement student academic achievement standards in the classroom.

(d) INTEGRATION OF PROFESSIONAL DEVELOPMENT- To promote the integration of staff supported with funds under this part into the regular school program and overall school planning and improvement efforts, public school personnel who are paid with funds received under this part may —

- (1) participate in general professional development and school planning activities; and
- (2) assume limited duties that are assigned to similar personnel who are not so paid, including duties beyond classroom instruction or that do not benefit participating children, so long as the amount of time spent on such duties is the same proportion of total work time as prevails with respect to similar personnel at the same school.

(e) SPECIAL RULES-

(1) SIMULTANEOUS SERVICE- Nothing in this section shall be construed to prohibit a school from serving students under this section simultaneously with students with similar educational needs, in the same educational settings where appropriate.

(2) COMPREHENSIVE SERVICES- If--

(A) health, nutrition, and other social services are not otherwise available to eligible children in a targeted assistance school and such school, if appropriate, has engaged in a comprehensive needs assessment and established a collaborative partnership with local service providers; and

(B) funds are not reasonably available from other public or private sources to provide such services, then a portion of the funds provided under this part may be used as a last resort to provide such services, including--

(i) the provision of basic medical equipment, such as eyeglasses and hearing aids;

(ii) compensation of a coordinator; and

(iii) professional development necessary to assist teachers, pupil services personnel, other staff, and parents in identifying and meeting the comprehensive needs of eligible children.

(3) PROFESSIONAL DEVELOPMENT- Each school receiving funds under this part for any fiscal year shall devote sufficient resources to carry out effectively the professional development activities described in subparagraph (F) of subsection (c)(1) in accordance with section 1119 for such fiscal year, and a school may enter into a consortium with another school to carry out such activities.

Attachment Topic 15

OMB Circular A-87, Attachment B, Section 8

8. *Compensation for personal services.*

- a. General. Compensation for personnel services includes all remuneration, paid currently or accrued, for services rendered during the period of performance under Federal awards, including but not necessarily limited to wages, salaries, and fringe benefits. The costs of such compensation are allowable to the extent that they satisfy the specific requirements of this Circular, and that the total compensation for individual employees:

(1) Is reasonable for the services rendered and conforms to the established policy of the governmental unit consistently applied to both Federal and non Federal activities;

(2) Follows an appointment made in accordance with a governmental unit's laws and rules and meets merit system or other requirements required by Federal law, where applicable; and

(3) Is determined and supported as provided in subsection h.

- b. Reasonableness. Compensation for employees engaged in work on Federal awards will be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the governmental unit. In cases where the kinds of employees required for Federal awards are not found in the other activities of the governmental unit, compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the employing government competes for the kind of employees involved. Compensation surveys providing data representative of the labor market involved will be an acceptable basis for evaluating reasonableness.
- c. Unallowable costs. Costs which are unallowable under other sections of these principles shall not be allowable under this section solely on the basis that they constitute personnel compensation.
- d. Fringe benefits.

(1) Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave, employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in these principles, the costs of fringe benefits are allowable to the extent that the benefits are reasonable and are required by law, governmental unit employee agreement, or an established policy of the governmental unit.

(2) The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military leave, and other similar benefits, are allowable if: (a) they are provided under established written leave policies; (b) the costs are equitably allocated to all related activities, including Federal awards; and, (c) the accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the governmental unit.

(3) When a governmental unit uses the cash basis of accounting, the cost of leave is recognized in the period that the leave is taken and paid for. Payments for unused leave when an employee retires or terminates employment are allowable in the year of payment provided they are allocated as a general administrative expense to all activities of the governmental unit or component.

(4) The accrual basis may be only used for those types of leave for which a liability as defined by Generally Accepted Accounting Principles (GAAP) exists when the leave is earned. When a governmental unit uses the accrual basis of accounting, in accordance with GAAP, allowable leave costs are the lesser of the amount accrued or funded.

(5) The cost of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in section 22, Insurance and indemnification); pension plan costs (see subsection e.); and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits, whether treated as indirect costs or as direct costs, shall be allocated to Federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such Federal awards and other activities.

- e. Pension plan costs. Pension plan costs may be computed using a pay as you go method or an acceptable actuarial cost method in accordance with established written policies of the governmental unit.

(1) For pension plans financed on a pay as you go method, allowable costs will be limited to those representing actual payments to retirees or their beneficiaries.

(2) Pension costs calculated using an actuarial cost based method recognized by GAAP are

allowable for a given fiscal year if they are funded for that year within six months after the end of that year. Costs funded after the six month period (or a later period agreed to by the cognizant agency) are allowable in the year funded. The cognizant agency may agree to an extension of the six month period if an appropriate adjustment is made to compensate for the timing of the charges to the Federal Government and related Federal reimbursement and the governmental unit's contribution to the pension fund. Adjustments may be made by cash refund or other equitable procedures to compensate the Federal Government for the time value of Federal reimbursements in excess of contributions to the pension fund.

(3) Amounts funded by the governmental unit in excess of the actuarially determined amount for a fiscal year may be used as the governmental unit's contribution in future periods.

(4) When a governmental unit converts to an acceptable actuarial cost method, as defined by GAAP, and funds pension costs in accordance with this method, the unfunded liability at the time of conversion shall be allowable if amortized over a period of years in accordance with GAAP.

(5) The Federal Government shall receive an equitable share of any previously allowed pension costs (including earnings thereon) which revert or inure to the governmental unit in the form of a refund, withdrawal, or other credit.

- f. Post retirement health benefits. Post retirement health benefits (PRHB) refers to costs of health insurance or health services not included in a pension plan covered by subsection e. for retirees and their spouses, dependents, and survivors. PRHB costs may be computed using a pay as you go method or an acceptable actuarial cost method in accordance with established written policies of the governmental unit.

(1) For PRHB financed on a pay as you go method, allowable costs will be limited to those representing actual payments to retirees or their beneficiaries.

(2) PRHB costs calculated using an actuarial cost method recognized by GAAP are allowable if they are funded for that year within six months after the end of that year. Costs funded after the six month period (or a later period agreed to by the cognizant agency) are allowable in the year funded. The cognizant agency may agree to an extension of the six month period if an appropriate adjustment is made to compensate for the timing of the charges to the Federal Government and related Federal reimbursements and the governmental unit's contributions to the PRHB fund. Adjustments may be made by cash refund, reduction in current year's PRHB costs, or other equitable procedures to compensate the Federal Government for the time value of Federal reimbursements in excess of contributions to the PRHB fund.

(3) Amounts funded in excess of the actuarially determined amount for a fiscal year may be used as the government's contribution in a future period.

(4) When a governmental unit converts to an acceptable actuarial cost method and funds PRHB costs in accordance with this method, the initial unfunded liability attributable to prior years shall be allowable if amortized over a period of years in accordance with GAAP, or, if no such GAAP period exists, over a period negotiated with the cognizant agency.

(5) To be allowable in the current year, the PRHB costs must be paid either to:

(a) An insurer or other benefit provider as current year costs or premiums, or

(b) An insurer or trustee to maintain a trust fund or reserve for the sole purpose of providing post retirement benefits to retirees and other beneficiaries.

(6) The Federal Government shall receive an equitable share of any amounts of previously allowed post retirement benefit costs (including earnings thereon) which revert or inure to the governmental unit in the form of a refund, withdrawal, or other credit.

g. Severance pay.

(1) Payments in addition to regular salaries and wages made to workers whose employment is being terminated are allowable to the extent that, in each case, they are required by (a) law, (b) employer employee agreement, or (c) established written policy.

(2) Severance payments (but not accruals) associated with normal turnover are allowable. Such payments shall be allocated to all activities of the governmental unit as an indirect cost.

(3) Abnormal or mass severance pay will be considered on a case by case basis and is allowable only if approved by the cognizant Federal agency.

h. Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation.

(1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.

(2) No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.

(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

(a) More than one Federal award,

(b) A Federal award and a non Federal award,

(c) An indirect cost activity and a direct cost activity,

(d) Two or more indirect activities which are allocated using different allocation bases, or

(e) An unallowable activity and a direct or indirect cost activity.

(5) Personnel activity reports or equivalent documentation must meet the following standards:

(a) They must reflect an after the fact distribution of the actual activity of each employee,

(b) They must account for the total activity for which each employee is compensated,

(c) They must be prepared at least monthly and must coincide with one or more pay periods, and

(d) They must be signed by the employee.

(e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:

(i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;

(ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and

(iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

(6) Substitute systems for allocating salaries and wages to Federal awards may be used in place of activity reports. These systems are subject to approval if required by the cognizant agency. Such systems may include, but are not limited to, random moment sampling, case counts, or other quantifiable measures of employee effort.

(a) Substitute systems which use sampling methods (primarily for Temporary Assistance to Needy Families (TANF), Medicaid, and other public assistance programs) must meet acceptable statistical sampling standards including:

(i) The sampling universe must include all of the employees whose salaries and wages are to be allocated based on sample results except as provided in subsection (c);

(ii) The entire time period involved must be covered by the sample; and

(iii) The results must be statistically valid and applied to the period being sampled.

(b) Allocating charges for the sampled employees' supervisors, clerical and support staffs, based on the results of the sampled employees, will be acceptable.

(c) Less than full compliance with the statistical sampling standards noted in subsection (a) may be accepted by the cognizant agency if it concludes that the amounts to be allocated to Federal awards will be minimal, or if it concludes that the system proposed by the governmental unit will result in lower costs to Federal awards than a system which complies with the standards.

(7) Salaries and wages of employees used in meeting cost sharing or matching requirements of

Federal awards must be supported in the same manner as those claimed as allowable costs under Federal awards.

Donated services.

(1) Donated or volunteer services may be furnished to a governmental unit by professional and technical personnel, consultants, and other skilled and unskilled labor. The value of these services is not reimbursable either as a direct or indirect cost. However, the value of donated services may be used to meet cost sharing or matching requirements in accordance with the provisions of the Common Rule.

(2) The value of donated services utilized in the performance of a direct cost activity shall, when material in amount, be considered in the determination of the governmental unit's indirect costs or rate(s) and, accordingly, shall be allocated a proportionate share of applicable indirect costs.

(3) To the extent feasible, donated services will be supported by the same methods used by the governmental unit to support the allocability of regular personnel services.

Attachment Topic 17

EDGAR 80.32

Sec. 80.32 Equipment.

(a) Title. Subject to the obligations and conditions set forth in this section, title to equipment acquired under a grant or subgrant will vest upon acquisition in the grantee or subgrantee respectively.

(b) States. A State will use, manage, and dispose of equipment acquired under a grant by the State in accordance with State laws and procedures. Other grantees and subgrantees will follow paragraphs (c) through (e) of this section.

(c) Use. (1) Equipment shall be used by the grantee or subgrantee in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a Federal agency.

(2) The grantee or subgrantee shall also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by the awarding agency. User fees should be considered if appropriate.

(3) Notwithstanding the encouragement in Sec. 80.25(a) to earn program income, the grantee or subgrantee must not use equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services, unless specifically permitted or contemplated by Federal statute.

(4) When acquiring replacement equipment, the grantee or subgrantee may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property,

subject to the approval of the awarding agency.

(d) Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

(1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

(2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

(3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.

(4) Adequate maintenance procedures must be developed to keep the property in good condition.

(5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

(e) Disposition. When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows:

(1) Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.

(2) Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.

(3) In cases where a grantee or subgrantee fails to take appropriate disposition actions, the awarding agency may direct the grantee or subgrantee to take excess and disposition actions.

(f) Federal equipment. In the event a grantee or subgrantee is provided federally-owned equipment:

(1) Title will remain vested in the Federal Government.

(2) Grantees or subgrantees will manage the equipment in accordance with Federal agency rules and procedures, and submit an annual inventory listing.

(3) When the equipment is no longer needed, the grantee or subgrantee will request disposition instructions from the Federal agency.

(g) Right to transfer title. The Federal awarding agency may reserve the right to transfer title to the Federal Government or a third party named by the awarding agency when such a third party is otherwise eligible under existing statutes. Such transfers shall be subject to the following standards:

(1) The property shall be identified in the grant or otherwise made known to the grantee in writing.

(2) The Federal awarding agency shall issue disposition instruction within 120 calendar days after the end of the Federal support of the

project for which it was acquired. If the Federal awarding agency fails to issue disposition instructions within the 120 calendar-day period the grantee shall follow Sec. 80.32(e).

(3) When title to equipment is transferred, the grantee shall be paid an amount calculated by applying the percentage of participation in the purchase to the current fair market value of the property.

(h) The provisions of paragraphs (c), (d), (e), and (g) of this section do not apply to disaster assistance under 20 U.S.C. 241-1(b)-(c) and the construction provisions of the Impact Aid Program, 20 U.S.C. 631-647.